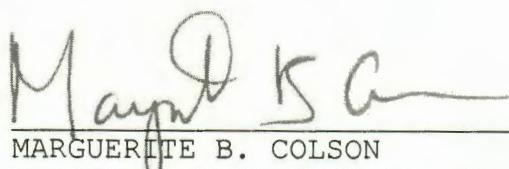


21 MAG 6624

Approved:


MARGUERITE B. COLSON
Assistant United States Attorney

CORRIGIMINAL

Before: THE HONORABLE DEBRA FREEMAN
United States Magistrate Judge
Southern District of New York

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:
UNITED STATES OF AMERICA : SEALED COMPLAINT
:
- v. - : Violations of 18 U.S.C.
LAWRENCE EDWARD BARNARD, : §§ 1341 and 2
a/k/a "Larson Paine" : COUNTY OF OFFENSES:
Defendant. : NEW YORK
:
----- x

SOUTHERN DISTRICT OF NEW YORK, ss.:

KATHRYN SEARLES, being duly sworn, deposes and says that she is an Inspector with the United States Postal Inspection Service ("USPIS"), and charges as follows:

COUNT ONE
(Mail Fraud)

1. From at least in or about April 2017 up to and including the present, in the Southern District of New York and elsewhere, LAWRENCE EDWARD BARNARD, a/k/a "Larson Paine," the defendant, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice and attempting so to do, did place in a post office and authorized depository for mail matter, matters and things to be sent and delivered by the Postal Service, and did deposit and cause to be deposited matters and things to be sent and delivered by private and commercial interstate carriers, and did take and receive therefrom, such matters and things, and did

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cause to be delivered by mail and such carriers, according to the directions thereon, and at the places at which they were directed to be delivered by the person to whom they were addressed, such matters and things, to wit, BARNARD transmitted by United States mail fraudulent invoices for printer and copier toner, as well as ink, and thereby induced victims nationwide to transmit by United States mail checks addressed to fraudulent entities created and controlled by BARNARD.

(Title 18, United States Code, Sections 1341 and 2.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

2. I have been Postal Inspector for 14 years, and a member of the New York Fraud Team for approximately 10 years. I have been personally involved in the investigation of this matter, and I base this affidavit on that experience, on my examination of various reports and records, and on my conversations with witnesses and victims. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all the facts that I have learned during the course of my investigation. Where the contents of documents, and the actions and statements of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

Overview of the Scheme

3. From at least in or about April 2017 up to and including the present, LAWRENCE EDWARD BARNARD, a/k/a "Larson Paine," the defendant, engaged in a scheme whereby two companies—"IT ADMIN" and "IT USA"—controlled by BARNARD sent invoices to businesses in the United States and Canada for various office supplies that the businesses never ordered and never received. The invoices directed the businesses to remit payments to IT ADMIN and IT USA at two mailboxes located in the Greenwich Village neighborhood of New York City. Mail sent to IT ADMIN and IT USA at the two New York City mailboxes was then forwarded first to a mailbox in Los Angeles, California and then to two home addresses in California associated with BARNARD. Ultimately, approximately \$2.4 million in checks sent to IT ADMIN and IT USA were deposited into bank

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accounts controlled by BARNARD, and BARNARD used the funds for personal expense unrelated to the acquisition of office supplies.

4. Based on my review of United States Postal Service ("USPS") records, I have learned the following:

a. In or about September 2013, USPS issued a Cease and Desist Order under 39 U.S.C. § 3005 against LAWRENCE EDWARD BARNARD, a/k/a "Larson Paine," the defendant, and Office Solutions Inc., d/b/a "IT Solutions" (the "Order").¹

b. The Order was based on a USPS complaint (the "USPS Complaint") alleging that BARNARD had rented mailboxes at a commercial mail receiving agency ("CMRA") in Los Angeles, California under the business name IT Solutions.

c. According to the USPS Complaint, businesses around the country received invoices mailed by IT Solutions for products that those businesses had never ordered.

d. According to the USPS Complaint, IT Solutions solicited payment from the businesses by mail to two CMRA boxes opened by BARNARD in the name of IT Solutions.

5. Based on my review of consumer complaints submitted to consumer complaint bureaus and law enforcement agencies, I have learned the following:

a. Since in or about April 2017, approximately 200 consumer complaints have been filed against two companies – "IT ADMIN" and "IT USA" – alleging that the companies sent invoices to various victim businesses (the "Victim Businesses") for printer and copier toner, as well as ink that the entities had

¹ For the following reasons, I believe that the Order was issued against LAWRENCE EDWARD BARNARD, a/k/a "Larson Paine," the defendant. First, the Order was issued to an individual named "Lawrence Edward Barnard," whose name matches BARNARD's name. Furthermore, an individual named "Lawrence Edward Barnard" signed a Cease and Desist Agreement with the USPS to resolve the USPS Complaint. The signature on the agreement is nearly identical to the signature on a California driver's license in BARNARD's name, which was provided when opening a mailbox on Melrose Avenue in Los Angeles, California, *infra* ¶ 8(i).

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never ordered and never received.

b. According to the complaints, IT ADMIN and IT USA list the same street address in the Greenwich Village neighborhood of Manhattan, New York, albeit at different mailboxes (the "Greenwich Village Mailboxes").

c. Nearly all the complaints referenced "fraud," "scam," "fraudulent invoice," "fraudulent bill," "never ordered" "never received," "fraudulent company," or "fake company," while over 100 of the invoices specifically referenced "Business Imposters."

d. Approximately five of the complaints were categorized as either "Unwanted Telemarketing Calls" or "Unauthorized Debts or Charges for Unknown Products" because, in addition to false bills and invoices, the Victim Businesses received unwanted phone calls from IT ADMIN and IT USA requesting payment for outstanding bills.

e. Approximately nine of the complaints also stated that, upon inquiry into outstanding invoices, IT ADMIN and IT USA immediately and without question canceled the bills.

6. According to my review of certain invoices received by the Victim Businesses, I have learned that IT ADMIN and IT USA list the Greenwich Village Mailboxes as their mailing addresses.

7. Based on my review of checks remitted by the Victim Businesses to IT ADMIN and IT USA, I know that the Victim Businesses sent check payments by mail to IT ADMIN and IT USA, and the checks listed the mailing address of those companies as the Greenwich Village Mailboxes.

8. Based on my review of CMRA records, as well as records from a messenger service, I have learned the following:

a. The business addresses listed for IT ADMIN and IT USA are the Greenwich Village Mailboxes.

b. The Greenwich Village Mailboxes were opened by an individual who presented a fraudulent California Driver's License.

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c. Mail sent to IT ADMIN and IT USA at the Greenwich Village Mailboxes is forwarded by prepaid FedEx slip to a mailbox at a CMRA located on Wilshire Boulevard in Los Angeles, California (the "Wilshire Mailbox").

d. The Wilshire Mailbox was opened by an individual who presented a fraudulent California Driver's License.

e. A nationwide messenger service (the "Messenger Service") was authorized to retrieve mail from the Wilshire Mailbox and deliver it to two residential addresses, one located in San Marino, California (the "San Marino Home Address") and the other located in Los Angeles, California (the "Los Angeles Home Address").

f. The accountholder who authorized mail pickup from the Wilshire Mailbox for delivery to the San Marino Home Address and Los Angeles Home Address is listed as "Larson Paine / LP Productions."

g. The cellphone number ("Cellphone-1") associated with the accountholder who authorized the Messenger Service to collect mail from the Wilshire Mailbox for delivery to the San Marino Home Address and Los Angeles Home Address is in the name of LAWRENCE EDWARD BARNARD, a/k/a "Larson Paine," the defendant.

h. The address associated with the accountholder who authorized the Messenger Service to collect mail from the Wilshire Mailbox for delivery the San Marino Home Address and Los Angeles Home Address is a different mailbox located at a CMRA on Melrose Avenue in Los Angeles, California (the "Melrose Mailbox").

i. The individual who opened the Melrose Mailbox provided a California driver's license bearing BARNARD's name and photograph.

9. Based on my conversations with an employee of the Messenger Service, I know that a courier for the Messenger Service has described delivering mail to an individual at the San Marino Home Address who generally matches the physical description of LAWRENCE EDWARD BARNARD, a/k/a "Larson Paine," the defendant. Specifically, the courier described delivering

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mail to a Caucasian male, 65-70 years old, approximately five feet eight inches tall, with grey-brown hair.²

10. Based on my review of records from the Southern California Gas company, I know that LAWRENCE EDWARD BARNARD, a/k/a "Larson Paine," the defendant, pays the gas bill for both the San Marino Home Address and the Los Angeles Home Address.

11. Based on my review of property records, I know that LAWRENCE EDWARD BARNARD, a/k/a "Larson Paine," the defendant, is the owner of the property associated with the Los Angeles Home Address.

12. Based on my review of bank records, I have learned the following:

a. LAWRENCE EDWARD BARNARD, a/k/a "Larson Paine," the defendant holds two accounts at a bank ("Bank-1"), one in the name of IT MGT, d/b/a IT ADMIN (the "Admin Bank Account"), and the other in the name of IT MGT d/b/a IT USA (the "IT Bank Account").

b. Those account names correspond to the names of the companies identified in the consumer complaints discussed above, *supra* ¶ 5(a).

c. Together, the Admin Bank Account and the IT Bank Account have received over \$2.4 million in check deposits from approximately 540 Victim Businesses nationwide and in Canada, which received invoices from IT ADMIN and IT USA.

d. The Admin Bank Account has paid over \$15,000 to the Messenger Service.

e. Approximately \$2.1 million of the \$2.4 deposited into the Admin Bank Account and IT Bank Account has been transferred to two other bank accounts held by BARNARD at Bank-1: Oriole Inc. (the "Oriole Account") and Office Solutions (the "Office Solutions Account").

² I am familiar with the physical appearance of BARNARD based on my review of the photograph contained on the driver's license that BARNARD presented when opening the Melrose Mailbox.

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13. Based on my review of Bank-1 records and internet research, I have learned the following:

a. Expenditures from the Admin Bank Account, the IT Bank Account, the Oriole Bank Account, and the Office Solutions Account did not represent purchases of toner and ink units that were billed to the approximately 540 Victim Businesses, *supra* 12(c).

b. Over \$38,000 was transferred from the Admin Bank Account to pay for American Express gift cards.

c. Over \$24,000 was transferred from the Oriole Bank Account to pay for American Express gift cards.

d. Over \$45,000 was transferred from the Oriole Bank Account to pay for dentistry.

e. Over \$47,000 was transferred from the Oriole Bank Account to pay property management fees in connection with the Los Angeles Home Address.

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WHEREFORE, deponent respectfully requests that warrants be issued for the arrest of LAWRENCE EDWARD BARNARD, a/k/a "Larson Paine," the defendant, and that he be arrested and imprisoned, or bailed, as the case may be.

s/Kathryn Searles, by the Court, with permission

Kathryn Searles
Inspector
U.S. Postal Inspection Service

Sworn to me through the transmission
of this Affidavit by reliable electronic
means (telephonic conference), pursuant
to Federal Rules of Criminal Procedure 41(d)(3)
and 4.1 this, 30 th day of June 2021

--day of June, 2021--

Debra Freeman

THE HONORABLE DEBRA FREEMAN
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK